

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into between the Governing Board of Santa Fe Community College (the "Board") acting on behalf of the Santa Fe Community College (the "College") and Dr. Ana Guzman ("Guzman").

1. Employment. The College hereby employs Guzman as the President of the College, and Guzman hereby accepts such employment. As President, Guzman shall be the chief executive officer of the College and shall have charge of its administration. Guzman shall undertake the duties and responsibilities of the President as set forth in this Agreement, in policies adopted by the Board from time to time, and in the job description for the position of President as developed by the Board, as those duties and responsibilities may be altered from time to time by the Board.

2. Commitment. Guzman agrees that she will faithfully and industriously use her experience, ability and talent to perform all of the duties that may be required of Guzman pursuant to the express and implicit terms of this Agreement. Guzman agrees to devote substantially all Guzman's time, attention and energies to her duties as President of the College. Guzman may expend reasonable amounts of time for personal or private business affairs, provided such activities do not interfere with the duties and services to be rendered to the College under this Agreement. Guzman shall not render services of any professional nature to or for any person, firm or board with or without compensation, unless she consults with the Board and obtains prior approval from the Board Chairperson to do so. Guzman may not engage in any activity that may be competitive with or adverse to the best interests of the College or that gives the appearance of being so.

3. Term of Employment.

A. Initial Term. The initial term of employment under this Agreement shall be for a period of four (4) years, commencing on September 1, 2012, and terminating on August 31, 2016 (the "Employment Period"), subject to extension and/or early termination as provided for in this Agreement, or to extension as agreed between the parties. If Guzman completes this term, she shall receive an incentive bonus of ten thousand dollars (\$10,000.00), payable on the last day of the fourth year of the Employment Period.

B. Extension Option. At the sole discretion of the Board, and if Guzman accepts, the Employment Period may be extended an additional one-year period (an "Extension Option"). If the Board exercises its Extension Option, the Board will notify Guzman in writing of the Board's wish to extend the Employment Period for a fifth year at least six (6) months before the end of the fourth year of the initial Employment Period. Guzman will have ten (10) days to accept the Board's offer to extend the Employment Period for a fifth year. If the Board exercises its first option to extend for a fifth year, and if Guzman accepts, subject to completion of the fifth year, Guzman will receive a lump sum extension incentive bonus of ten thousand dollars (\$10,000.00), payable on the last day of the fifth year of the Employment Period. If the Board exercises an Extension Option and Guzman accepts, the one-year extension will become part of the "Employment Period" subject to the terms and conditions of this Agreement.

4. Evaluation. The Board shall commence by June 1 each year, and by the end of each contract year during the Employment Period complete, an evaluation of Guzman's performance. The evaluation shall be based in part on specific performance criteria and measures to be established annually by the Board in cooperation with Guzman. Notwithstanding Paragraph 19, such performance criteria and measures shall be incorporated into this Agreement as Appendix A

to this Agreement when signed by the Board Chairperson and Guzman, and may be amended in a writing signed by the Board Chairperson and Guzman. The Board and Guzman agree to develop initial performance criteria and measures for Guzman within ninety (90) days of the beginning of the Employment Period and to revise them annually. To aid the Board in its performance reviews, Guzman agrees to furnish such oral and written reports as may be reasonably required by the Board, including a self-evaluation and any evaluations determined appropriate by the Board. The Board agrees to provide Guzman thirty (30) days written notice prior to the date such oral and/or written reports are due.

5. Salary.

A. For all services rendered by Guzman under this Agreement, Guzman shall be paid by the College an annual salary of \$196,000, payable in bi-weekly installments in accordance with College practice. All such salary, including performance increases, if any, shall be subject to the customary withholding tax, Social Security tax and other employment taxes as may be required by the State of New Mexico or any of its political subdivisions or the federal government. Such salary will be reviewed annually following the evaluation by the Board and may be adjusted upward at the discretion of the Board. Any adjustments shall be in conjunction with and consistent with the results of annual evaluations provided for in this Agreement.

B. At the end of each of the first two (2) years of the Employment Period, Guzman may earn an increase in salary of \$4,000 for the following year if, in the absolute discretion of the Board, she meets or exceeds annual performance measures established by the Board, as described in Paragraph 4 above, and appended hereto as Appendix A.

C. Performance Bonus. In addition to the salary described in Subparagraphs A and B, in the sole discretion of the Board, the Board may award Guzman a performance bonus if

it determines that Guzman has exceeded annual performance measures established by the Board, as described in Paragraph 4 above, and appended hereto as Appendix A. Such performance bonus may be awarded in lieu of or in addition to a salary increase, or may not be awarded, in the sole discretion of the Board.

6. Deferred Compensation. Guzman may, at her option, direct that up to \$10,000 of her annual salary described in Paragraph 5 be paid into an annuity as deferred compensation to be agreed by the parties.

7. Benefits.

A. Insurance. The College shall provide Guzman with the College's group medical insurance, hospitalization, disability and major medical insurance coverage on the same terms as other full-time employees of the College. In addition to such regular insurance benefits, the College will pay for any portion of the cost that may remain uncovered by insurance – including reasonable travel expenses - of an annual medical examination for Guzman at the Mayo Clinic in Scottsdale, Arizona, or comparable executive wellness program. Guzman agrees to disclose to the College any material findings that would impact her ability to perform any of her job duties. The College will also maintain for Guzman through group insurance policies or otherwise, term life insurance on Guzman as the insured in the amount of One Hundred Thousand Dollars (\$100,000), with benefits payable to a beneficiary as Guzman may elect. The College shall purchase for Guzman a Long-term Care insurance policy of Guzman's choice, provided that the premiums paid by the College shall not exceed \$5000 annually. If the premiums required for the Long-term Care policy exceed \$5000 annually, and if Guzman elects to proceed with the acquisition of such a policy, the College will contribute \$5000 annually for such coverage and Guzman shall be responsible for any premium amount over \$5000 per year.

B. Leave and Vacation. Guzman shall be entitled to paid and unpaid leave and paid holidays in accordance with College Policy 4-35 or any successor Policy, which the parties agree shall apply to this Agreement. Guzman shall be entitled to thirty (30) paid vacation days during each twelve (12) month period in addition to five (5) paid national holidays. Once annually, Guzman may use up to fifteen (15) vacation days consecutively to constitute a three-week vacation period. Attendance by Guzman at business, professional and professional development meetings and conferences shall not be construed as vacation time. Unused annual vacation days shall not be accrued or transferred from employment year to employment year and Guzman shall be expected and encouraged to use all of her leave time each year.

C. Retirement. Guzman shall be entitled to participate in the New Mexico Educational Retirement Act in the same manner and with the same options as all other full time employees of the College.

8. Working Facilities. The College shall provide Guzman a private office and secretarial assistance, and such other facilities and services suitable to the position and adequate for the performance of her duties as President. The College shall provide Guzman an eighty dollar (\$80) monthly allowance for cell phone use. The College shall purchase a home computer and printer for Guzman, and reimburse her for the cost of establishing and maintaining a DSL or other high-speed internet connection at her residence or shall provide Guzman with a wireless PC card for broadband and national access and pay fees associated with such card.

9. Housing and Automobile. Guzman agrees to maintain a residence and live in the Santa Fe Community College District during the Employment Period. Guzman further agrees to maintain regular access to use of an automobile during the Employment Period.

10. Discretionary Allowance. The College shall pay Guzman \$2500 per month in a discretionary allowance, which Guzman may use for housing, automobile or other discretionary expenses. Guzman shall not be required to provide the College receipts or other evidence of expenditure in order to receive this discretionary allowance.

11. Professional Dues and Meetings. Provided that the attendance does not interfere with Guzman's administrative duties, Guzman may attend educational conferences, conventions, seminars and other similar professional growth activities. The College shall pay the reasonable expenses incurred in connection with such attendance and membership in professional organizations. Guzman shall submit to the Board Chair for pre-approval a request for out-of-state travel to such meetings or conferences. The College shall pay up to \$1500 annually toward professional or community dues and memberships.

12. Tuition Waiver and Payments. Guzman and Guzman's spouse or domestic partner and dependents shall be entitled to tuition waivers to attend courses at the College in accordance with College Policy 4-36 or any successor Policy, which the parties agree shall apply to this Agreement. In addition, the College shall pay up to \$5000 per year in expenses for Guzman to attend professional development courses and activities.

13. Travel and Entertainment Expenses. The College shall pay the reasonable travel and entertainment expenses of Guzman when Guzman is traveling or entertaining on College business in accordance with New Mexico law and College Policy 6-7 or any successor Policy, which the parties agree shall apply to this Agreement.

14. Transition Expenses. To facilitate Guzman's transition, the College will arrange and pay for one house-hunting trip to Santa Fe of up to four (4) days for two (2) people, and for two (2) people to travel to Santa Fe at the beginning of the Employment Period. The College will

arrange and pay for the shipment of Guzman's household goods and one (1) vehicle to Santa Fe, and for storage of her household goods for up to ninety (90) days. The College will reimburse Guzman for temporary living expenses of up to \$3500 per month for the first three (3) months of the Employment Period. Guzman shall submit receipts for any of these expenses that she incurs in order to be reimbursed by the College.

15. Tenure. Guzman is not entitled to tenure in the administrative position of President.

16. Termination. Guzman's employment as President may be terminated by:

A. Mutual written agreement of the Board and Guzman.

B. Resignation or retirement by Guzman, provided Guzman gives the Board at least three (3) months' notice of such resignation or retirement. If Guzman gives such notice, the Employment Period shall continue until the effective date of the resignation or retirement, unless terminated earlier pursuant to another subparagraph of Paragraph 16.

C. Mental or physical disability of Guzman which prevents Guzman, as determined by the Board in the Board's reasonable discretion, from performing the essential functions of the role of President as required under this Agreement.

D. Death of Guzman.

E. Termination for Just Cause. If the Board believes that just cause exists to terminate Guzman's employment, it will provide her written notice of the reasons. Upon receipt by Guzman of that written notice, Guzman will immediately be placed on administrative leave with full salary, housing, automobile and insurance benefits according to this Agreement, except that Guzman may not enter the College campus or have access to or use of any College facilities or personnel, including the private working facilities provided under this Agreement, without the express written permission of the Board. Guzman will have ten (10) working days from receipt

of the notice of the Board's intent to terminate Guzman for just cause, to request in writing a hearing to appear with counsel before a meeting of a quorum of the Board in closed Executive Session to respond to the grounds for the proposed termination (a "hearing"). If Guzman does not request a hearing, upon expiration of the ten day period in which Guzman could have requested a hearing, the Employment Period will terminate, and all benefits to Guzman under this Agreement such as salary, housing allowance, automobile allowance and insurance, will immediately cease, and any accrued but unpaid vacation days will be forfeited. If Guzman does request a hearing, within five (5) working days of receiving such a request for a hearing from Guzman, the Board shall set a date for a hearing which date shall be not less than seven (7) working days, nor more than twenty-one (21) working days, from the date the Board received the written request for a hearing from Guzman. If Guzman does request a hearing, after hearing arguments from Guzman refuting the Board's grounds for the proposed termination, a majority of the Board members may vote to terminate for just cause Guzman's employment as President. If the Board votes to terminate for just cause Guzman's employment, the Employment Period will terminate and all benefits to Guzman under this Agreement such as salary, housing allowance, automobile allowance and insurance, will immediately cease, and any accrued but unpaid vacation days will be forfeited. If after a hearing the Board votes not to terminate for just cause Guzman's employment, the Board may either vote to reinstate Guzman, or terminate Guzman without cause according to subparagraph 16(F). The term "just cause" as used in this subparagraph shall mean a breach or violation by Guzman of any of the terms or provisions of the Agreement or of any of her obligations under this Agreement, and shall also encompass its normally understood meaning in employment contracts, including for example, acts of dishonesty, willful misconduct, refusal, inability, unwillingness or failure to perform the duties



and responsibilities of the office of President, insubordination to the Board, prolonged absence from duty without the consent of the Board, or conduct that involves moral turpitude or that would tend to bring serious public disrespect upon the College or any violation of the laws of the State of New Mexico or the United States.

If the Board votes to terminate for just cause Guzman's employment as President, the exclusive process and remedy available to Guzman for challenging that decision will be final and binding arbitration conducted in Santa Fe, New Mexico, and governed by the then current rules for commercial arbitration promulgated by the American Arbitration Association. Such arbitration will be determined by an arbitrator chosen by the American Arbitration Association, to be selected from its panel of commercial arbitrators. The parties agree to proceed to arbitration within thirty (30) calendar days after any such appeal is made.

F. Termination Without Cause. Guzman may be terminated as President for convenience without cause at the sole discretion of the Board, upon thirty (30) calendar days written notice to Guzman. Guzman shall be paid all accrued but unpaid vacation days on the final day of the Employment Period. Guzman shall also be paid (a) if this Agreement is terminated in its first or second year, salary payments at Guzman's then current salary for one (1) year, or (b) if this Agreement is terminated in its third or later year, salary payments at Guzman's then current salary for the lesser of the remainder of the Employment Period or six (6) months, less applicable withholding and other taxes ("Severance").

The Severance payment shall include only the amount described in Paragraph 5 of this Agreement and shall not include any discretionary allowance, insurance or any other benefits provided under this Agreement. The Severance payment period will commence on the date the Board first gives Guzman notice of termination without cause under this subparagraph, and will

be payable in bi-weekly installments over the Severance payment period. At the end of the thirty (30) day notice period the Employment Period will terminate and except as otherwise specifically provided in this subparagraph 16(F), benefits to Guzman under this Agreement will cease.

G. Exclusive Procedure. The termination provisions in this Paragraph 16 shall be the exclusive provisions governing the termination of Guzman as President, and no college policy will apply with respect to the process of terminating Guzman for any reason under this Agreement. Further, if the Board begins termination proceedings for just cause under subparagraph 16(E), the Board may later choose to terminate without cause under subparagraph 16(F). If the Board so changes the grounds for termination, any administrative leave will immediately cease. The thirty (30) day notice period and severance payment period provided under subparagraph 16(F) will relate back to the date the Board initially notified Guzman of the Board's intent to terminate for just cause under subparagraph 16(E), such that any salary paid during administrative leave will apply toward the Severance payment, and any balance of the Severance payment will be paid out under the same terms described in subparagraph 16(F) over the remainder of the salary period.

17. Agreements Outside this Agreement. This Agreement, Appendix A described in Paragraph 4, and any signed modifications made pursuant to Paragraph 19 of this Agreement constitute the entire understanding between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement or any representation except those specifically set forth in this Agreement and any modifications made pursuant to Paragraph 19 this Agreement, and the parties acknowledge that they have relied on their own judgment and advice of counsel in entering into this Agreement.

18. Appropriations. All obligations of the College contained in this Agreement are subject to sufficient appropriations being available to the College. A determination as to whether appropriations are sufficient shall be made in the sole discretion of the Board.

19. Modification. Except as provided in Paragraph 4 with respect to Appendix A, no modification of this Agreement shall be valid except by a writing signed by both parties.

20. Waiver of Breach. No waiver by either party of any rights under this Agreement will be valid unless set forth in writing signed by that party. The failure of either party to insist upon strict performance of any terms of this Agreement shall not be construed as a waiver in the future of any other provisions.

21. Notices. Any written notice required or permitted under this Agreement shall be deemed to have been duly given on the date of delivery if delivered personally to the party to whom the notice is to be given, or on the date three (3) business days after mailing, if sent by registered mail, postage pre-paid, and addressed to the addressee at the address stated below:

Board:           Governing Board of Santa Fe Community College  
                    Board Chair  
                    6401 Richards Avenue  
                    Santa Fe, NM 87508

Guzman:         Ana Guzman  
                    c/o Santa Fe Community College  
                    6401 Richards Avenue  
                    Santa Fe, NM 87508

22. Severability. In the event that any provision of this Agreement shall be held invalid, illegal, or unenforceable, the same shall not affect in any respect whatsoever the validity of any other provisions of this Agreement.

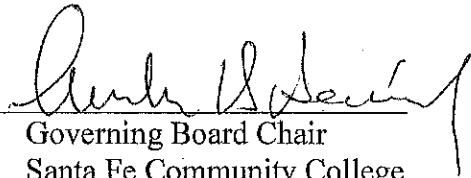
23. Choice of Law. This Agreement is governed by and is to be construed in accordance with the laws of the State of New Mexico.

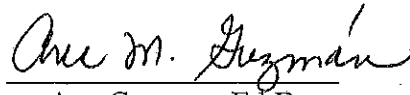
24. Work Products and Confidentiality. All correspondence, papers, documents, reports, files, films, work products and all copies thereof received or prepared by Guzman in the course of performing, or as an incident to Guzman's duties, as President shall immediately upon such receipt and preparation become the exclusive property of the College for any and all purposes. All items described above shall be provided to and left with the College upon termination of the Employment Period. Further, all items described above including intellectual property or trade secrets of the College shall be considered confidential and/or proprietary information of the College upon termination of the Employment Period, and Guzman shall maintain such information in confidence after termination of the Employment Period. Nothing in this paragraph shall prohibit Guzman from publishing, or solely profiting from publishing, any works of fiction whenever written.


25. Survival. The provisions of Paragraphs 20, 21, 22, 23, 24, 25, 26, and 27 shall survive termination of the Employment Period.

26. Applicability. This Agreement and the rights and responsibilities of each party hereto shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Effective this 12<sup>th</sup> day of July, 2012

By:   
Governing Board Chair  
Santa Fe Community College

By:   
Ana Guzman, Ed.D.

Attest:   
Governing Board Secretary  
Santa Fe Community College